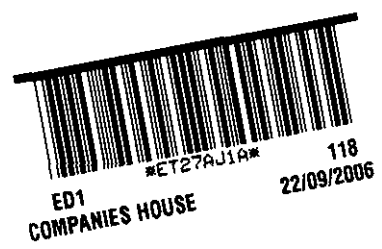


COMPANY REGISTRATION NUMBER 0330823

TEKZONE SOUND AND VISION LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2006



TEKZONE SOUND AND VISION LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the company	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	9

TEKZONE SOUND AND VISION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

G M Gardner
H M Gardner
J R Gardner
C Gardner
M D Russell-Vick

Company secretary

G M Gardner

Registered office

Old Court
Tyrrells Wood
Leatherhead
SURREY
KT22 8QW

Auditor

Honey Barrett
Chartered Accountants
& Registered Auditors
53 Gildredge Road
Eastbourne
East Sussex
BN21 4SF

TEKZONE SOUND AND VISION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the retail of photographic, video, television and audio equipment.

The directors are happy with the performance of the company over the year and are optimistic that the Company will be able to continue to grow in the future.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £255,872. Particulars of dividends paid and proposed are detailed in note 7 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors do not consider there to be a material exposure to price risk, credit risk, liquidity risk or cash flow risk.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2006	At 1 April 2005
G M Gardner	52	52
H M Gardner	78	78
J R Gardner	52	52
C Gardner	26	26
M D Russell-Vick	26	26

PRIOR YEAR ADJUSTMENT

The 2006 accounts show prior year adjustment which is detailed in note 9 of the accounts. This relates to reallocation of contributions from suppliers to other income from purchases.

INSURANCE

The company maintains insurance cover in respect of third party indemnity claims made against the directors personally in their capacity as directors of the company.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;

TEKZONE SOUND AND VISION LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2006

make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

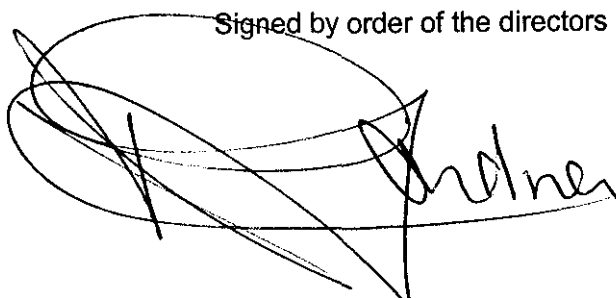
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Registered office:
Old Court
Tyrrells Wood
Leatherhead
SURREY
KT22 8QW

Signed by order of the directors



G M GARDNER
Company Secretary

Approved by the directors on 12 September 2006

TEKZONE SOUND AND VISION LIMITED
INDEPENDENT AUDITOR'S REPORT TO TEKZONE SOUND AND
VISION LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 18, together with the financial statements of Tekzone Sound and Vision Limited for the year ended 31 March 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

53 Gildredge Road
Eastbourne
East Sussex
BN21 4SF

18 September 2006

Honey Barrett

HONEY BARRETT
Chartered Accountants
& Registered Auditors

TEKZONE SOUND AND VISION LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2006

	Note	2006 £	2005 (restated) £
GROSS PROFIT		4,046,362	4,131,294
Administrative expenses		<u>3,709,801</u>	<u>3,719,120</u>
OPERATING PROFIT	2	336,561	412,174
Interest receivable		502	309
Interest payable and similar charges	5	<u>(5,624)</u>	<u>(2,484)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		331,439	409,999
Tax on profit on ordinary activities	6	<u>75,567</u>	<u>66,005</u>
PROFIT FOR THE FINANCIAL YEAR		<u>255,872</u>	<u>343,994</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 18 form part of these abbreviated accounts.

TEKZONE SOUND AND VISION LIMITED

ABBREVIATED BALANCE SHEET

31 MARCH 2006

	Note	2006 £	2005 (restated) £
FIXED ASSETS			
Tangible assets	9	155,205	109,455
CURRENT ASSETS			
Stocks	10	2,647,585	1,902,814
Debtors	11	471,229	769,341
Cash at bank		195,296	156,124
		<u>3,314,110</u>	<u>2,828,279</u>
CREDITORS: Amounts falling due within one year	13	<u>1,506,512</u>	<u>956,623</u>
NET CURRENT ASSETS		<u>1,807,598</u>	<u>1,871,656</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,962,803</u>	<u>1,981,111</u>
CREDITORS: Amounts falling due after more than one year	14	<u>57,417</u>	<u>81,597</u>
		<u>1,905,386</u>	<u>1,899,514</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	260	260
Share premium account	20	39,914	39,914
Other reserves	21	86	86
Profit and loss account		<u>1,865,126</u>	<u>1,859,254</u>
SHAREHOLDERS' FUNDS	23	<u>1,905,386</u>	<u>1,899,514</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 12 Sept 2006 and are signed on their behalf by:


J R GARDNER

The notes on pages 9 to 18 form part of these abbreviated accounts.

TEKZONE SOUND AND VISION LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2006

	2006	2005 (restated)
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	523,025	448,361
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	502	309
Interest element of finance leases	<u>(5,624)</u>	<u>(2,484)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(5,122)	(2,175)
TAXATION	(95,823)	16,440
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(84,728)	(74,380)
Receipts from sale of fixed assets	<u>—</u>	<u>57,000</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(84,728)	(17,380)
EQUITY DIVIDENDS PAID	(274,000)	(250,000)
FINANCING		
Capital element of finance leases	<u>(24,180)</u>	<u>56,846</u>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	(24,180)	56,846
INCREASE IN CASH	<u>39,172</u>	<u>252,092</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2006	2005 (restated)
	£	£
Operating profit	336,561	412,174
Depreciation	38,978	98,546
Profit on disposal of fixed assets	—	(22,629)
(Increase)/decrease in stocks	(744,771)	111,179
Decrease/(increase) in debtors	275,654	(216,402)
Increase in creditors	<u>616,603</u>	<u>65,493</u>
Net cash inflow from operating activities	<u>523,025</u>	<u>448,361</u>

The notes on pages 9 to 18 form part of these abbreviated accounts.

TEKZONE SOUND AND VISION LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2006

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2006		2005 <i>(restated)</i>	
	£	£	£	£
Increase in cash in the period	39,172		252,092	
Cash outflow in respect of finance leases	<u>24,180</u>		<u>(56,846)</u>	
		63,352		195,246
Change in net funds		63,352		195,246
Net funds at 1 April 2005		50,348		(144,898)
Net funds at 31 March 2006		<u>113,700</u>		<u>50,348</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2005	Cash flows	At 31 Mar 2006
	£	£	£
Cash in hand and at bank	156,124	39,172	195,296
Finance lease agreements	<u>(105,776)</u>	<u>24,180</u>	<u>(81,596)</u>
Net funds	<u>50,348</u>	<u>63,352</u>	<u>113,700</u>

The notes on pages 9 to 18 form part of these abbreviated accounts.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)''.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'

The company has adopted FRS 25 Financial Instruments: Disclosure and Presentation for the first time this year. However this has not had a material effect on the accounts and no prior year adjustment has been required.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost, less any associated contributions. These contributions are shown separately in Note 10.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 10% - 33% Straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2006	2005 <i>(restated)</i>
	£	£
Depreciation of owned fixed assets	8,397	81,072
Depreciation of assets held under finance lease agreements	30,581	17,474
Profit on disposal of fixed assets	—	(22,629)
Auditor's remuneration		
- as auditor	8,500	8,500
Operating lease costs:		
Other	63,812	52,228
Rentals under operating leases - concessionary outlets	<u>1,211,967</u>	<u>1,226,928</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2006	2005 (restated)
	No	No
Number of administrative staff	11	11
Number of operational staff	78	72
	<u>89</u>	<u>83</u>

The aggregate payroll costs of the above were:

	2006	2005 (restated)
	£	£
Wages and salaries	1,815,146	1,765,103
Social security costs	174,363	170,616
	<u>1,989,509</u>	<u>1,935,719</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2006	2005 (restated)
	£	£
Emoluments receivable	<u>312,359</u>	<u>275,548</u>

Emoluments of highest paid director:

	2006	2005 (restated)
	£	£
Total emoluments (excluding pension contributions)	<u>77,280</u>	<u>77,131</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005 (restated)
	£	£
Finance charges	<u>5,624</u>	<u>2,484</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2006	2005 (restated)
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2005 - 30%)	53,109	95,823
Over/under provision in prior year	-	3,036
Total current tax	53,109	98,859
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	22,399	(31,835)
Other	59	(1,019)
Total deferred tax (note 12)	22,458	(32,854)
Tax on profit on ordinary activities	75,567	66,005

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2005 - 30%).

	2006	2005 (restated)
	£	£
Profit on ordinary activities before taxation	331,439	409,999
Profit on ordinary activities by rate of tax	62,973	123,000
Effect of disallowed expenses	547	-
Capital allowances in excess of depreciation	(10,726)	2,563
Marginal small companies relief	-	(29,740)
Adjustment re prior years	-	3,036
Short term timing differences	315	-
Total current tax (note 6(a))	53,109	98,859

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

7. DIVIDENDS

Dividends on equity shares	2006	2005 (restated)
	£	£
Paid		
Equity dividends on ordinary shares	<u>250,000</u>	<u>—</u>

8. PRIOR PERIOD ADJUSTMENT

A prior year adjustment has been posted in respect of contributions made by suppliers. In the past these were shown as deductions from purchases, the directors now feel that this should be shown as other income, as this better reflects the commercial reality of these payments. A prior year adjustment of £945,350 has increased the cost of sales and been shown as other income. There is no overall effect on the profit for the year.

This adjustment does not affect the tax position of the company.

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
At 1 April 2005	774,246
Additions	<u>84,728</u>
At 31 March 2006	<u>858,974</u>
DEPRECIATION	
At 1 April 2005	664,791
Charge for the year	<u>38,978</u>
At 31 March 2006	<u>703,769</u>
NET BOOK VALUE	
At 31 March 2006	<u>155,205</u>
At 31 March 2005	<u>109,455</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

9. TANGIBLE FIXED ASSETS *(continued)*

Included in fixtures and fittings are assets to the value of £7,477 (2005 - £21,464), over which Tekzone Sound and Vision Limited does not hold legal title. These assets are also held under linked arrangements. The gross amounts are as follows:

Cost	1,102,997
Contributions	(659,905)
Net cost at 31 March 2006	443,092

Depreciation at 31 March 2006	435,615
Net Book Value at 31 March 2006	7,477
Net Book Value at 31 March 2005	21,464

Finance lease agreements

Included within the net book value of £155,205 is £61,161 (2005 - £91,742) relating to assets held under finance lease agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £30,581 (2005 - £17,474).

10. STOCKS

	2006	2005 <i>(restated)</i>
	£	£
Stock	<u>2,647,585</u>	<u>1,902,814</u>

11. DEBTORS

	2006	2005 <i>(restated)</i>
	£	£
Trade debtors	157,959	304,008
Other debtors	—	34,924
Prepayments and accrued income	302,874	397,555
Deferred taxation (note 12)	10,396	32,854
	<u>471,229</u>	<u>769,341</u>

All amounts are due within one year.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

12. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2006	2005 (restated)
	£	£
Included in debtors (note 11)	<u>10,396</u>	<u>32,854</u>

The movement in the deferred taxation account during the year was:

	2006	2005 (restated)
	£	£
Balance brought forward	32,854	-
Profit and loss account movement arising during the year	<u>(22,458)</u>	<u>32,854</u>
Balance carried forward	<u>10,396</u>	<u>32,854</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2006	2005 (restated)
	£	£
Excess of taxation allowances over depreciation on fixed assets	9,436	31,835
Other timing differences	<u>960</u>	<u>1,019</u>
	<u>10,396</u>	<u>32,854</u>

13. CREDITORS: Amounts falling due within one year

	2006	2005 (restated)
	£	£
Trade creditors	1,167,716	620,227
Other creditors including taxation and social security:		
Corporation tax	53,109	95,823
PAYE and social security	58,351	41,024
VAT	96,723	98,256
Finance lease agreements	24,179	24,179
Dividends payable	-	24,000
Other creditors	-	1,875
	<u>1,400,078</u>	<u>905,384</u>
Accruals and deferred income	<u>106,434</u>	<u>51,239</u>
	<u>1,506,512</u>	<u>956,623</u>

A debenture is held by HSBC Bank plc, incorporating a fixed and floating charge over all current and future assets of the company.

TEKZONE SOUND AND VISION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2006

14. CREDITORS: Amounts falling due after more than one year

	2006	2005 (restated)
	£	£
Other creditors:		
Finance lease agreements	<u>57,417</u>	<u>81,597</u>

15. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2006	2005 (restated)
	£	£
Amounts payable within 1 year	24,179	24,179
Amounts payable between 2 to 5 years	<u>57,417</u>	<u>81,597</u>
	<u>81,596</u>	<u>105,776</u>

16. DERIVATIVES

The company does not currently have derivatives.

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as set out below.

	2006		2005	
	Land & Buildings	Other Items	Land & Buildings (restated)	Other Items
	£	£	£	£
Operating leases which expire:				
Within 2 to 5 years	-	730	-	730
After more than 5 years	<u>77,000</u>	<u>-</u>	<u>52,000</u>	<u>-</u>
	<u>77,000</u>	<u>730</u>	<u>52,000</u>	<u>730</u>

Payments will be made in respect of rental commissions at Harrods, Selfridges and Bentalls, however, as these are calculated, based on turnover levels, the commitment cannot be quantified.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

18. RELATED PARTY TRANSACTIONS

The interests of the directors in the shares of the company at the year end are stated in the directors report. No individual director is considered to be an ultimate controlling party.

19. SHARE CAPITAL

Authorised share capital:

	2006	2005 (restated)
	£	£
500 Ordinary shares of £1 each	<u>500</u>	<u>500</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>260</u>	<u>260</u>	<u>260</u>	<u>260</u>
Equity shares				
Ordinary shares of £1 each	<u>260</u>	<u>260</u>	<u>260</u>	<u>260</u>

20. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

21. OTHER RESERVES

	2006	2005 (restated)
	£	£
Capital redemption reserve	<u>86</u>	<u>86</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

22. PROFIT AND LOSS ACCOUNT

	2006	2005 (restated)
	£	£
Balance brought forward	1,859,254	1,515,260
Profit for the financial year	255,872	343,994
Equity dividends paid	(250,000)	—
Balance carried forward	<u>1,865,126</u>	<u>1,859,254</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005 (restated)
	£	£
Profit for the financial year	255,872	343,994
Equity dividends paid	(250,000)	—
Net addition to shareholders' funds	5,872	343,994
Opening shareholders' funds	<u>1,899,514</u>	<u>1,555,520</u>
Closing shareholders' funds	<u>1,905,386</u>	<u>1,899,514</u>